(ii) With respect to mortgages approved for insurance under this part by the Secretary on or after January 5, 1976, but before March 7, 1978, the difference between the required monthly payment under the mortgage for principal, interest, and mortgage insurance premium and the monthly payment which would be required for principal and interest if the mortgage bore an interest rate of 5 percent.

(iii) With respect to mortgages approved for insurance under this part by the Secretary on or after March 7, 1978, the difference between the required monthly payment under the mortgage for principal, interest, and mortgage insurance premium and the monthly payment which would be required for principal and interest if the mortgage bore an interest rate of 4 percent.

(b) The assistance payment on behalf of a cooperative member shall be in an amount computed by using the formula prescribed in paragraph (a) of this section and applying the cooperative member's proportionate share of the obligation under the project mortgage to the items set forth in the formula.

(c) In addition to the assistance payment referred to in paragraphs (a) and (b) of this section, the mortgagee shall be entitled to the monthly payment of an amount the Secretary deems sufficient to reimburse the mortgagee for its expense in handling the mortgage.

(d) Special assessments levied by a governmental body are to be included under the term *taxes* as a part of the total monthly payment. However, ground rents, assessments of a homeowners' association, and special assessments levied by persons or private organizations are not to be included.

[41 FR 1178, Jan. 6, 1976, as amended at 44 FR 25837, May 3, 1979]

§ 235.340 Time of payments.

The assistance payment shall be due on the first day of each month and shall be paid upon the receipt of a billing, on a form prescribed by the Secretary, from the mortgagee or its authorized agent.

§ 235.345 Term of assistance contract.

(a) *Homeowners*. The term of the assistance payment contract shall begin on the date of disbursement of mortgage proceeds as shown on the commitment for insurance and shall continue until the contract is terminated pursuant to § 235.375.

(b) *Cooperative members*. The term of the assistance payment contract shall begin on the date of issuance of a certificate approving an application filed on behalf of a cooperative member and shall continue until the contract is terminated pursuant to § 235.375.

§ 235.350 Mortgagor's required recertification.

(a) The mortgagee shall obtain from the homeowner (or from the cooperative association on behalf of the cooperative member), on a form prescribed by the Secretary a recertification as to occupancy, employment, family composition and income whenever one of the following events takes place:

(1) Annually, no earlier than 60 days before and no later than 30 days after the anniversary date of the mortgage or at such other anniversary date as set by the Secretary;

(2) No more than 30 days after the mortgagee is notified by the mortgagor or learns from any identifiable source:

(i) That the mortgagor or any adult (21 years or older) member of the family residing in the household changes or begins employment which results in an increase in the family income reported in the original application for assistance or the most recent recertification.

(ii) That the family income (excluding earnings of minors) has increased at least $50 per month (except in the case of a mortgagor under a mortgage insured before January 5, 1976).

(iii) A new member is added to the family who is not born in the United States (except for a mortgagor described in 235.13(a) (1) or (2)).

(3) At such other times as the Secretary may require.

(b) With respect to mortgages insured under this part after January 5, 1976, the mortgagee shall obtain from the applicant-homeowner at the time application is made for assistance and at the time of annual recertification required under paragraph (a)(1) of this section, on a form provided by the Secretary, a statement of the aggregate